

THURSDAY, JUNE 23, 2011 – 1:30 P.M.

Present: Committee Members Roderick Bashir, via telephone  
James Clayborne

Staff

William Atwood  
Johara El-Harazin  
Linsey Schoemehl  
Lorna Scott  
Katherine Spinato

Guests Office of the Comptroller  
Alexis Sturm, via telephone  
Marquette Associates  
Brian Wrubel

Absent: Committee Member John Casey  
Dan Rutherford  
Judy Baar Topinka

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## *ROLL CALL*

Chairman Clayborne called the meeting to order at 1:35 p.m. The Secretary called the roll and noted that a quorum was not present. It was the consensus of the Committee Members present to discuss the agenda items.

## *MINUTES OF PREVIOUS MEETING*

Mr. Bashir moved to recommend approval the minutes of the Emerging Manager Committee meeting held January 26, 2011, in the forms previously submitted. Comptroller Topinka seconded and the motion passed unanimously.

## *DISCUSSION OF REVISIONS TO ASSET ALLOCATION MODEL*

Ms. El-Harazin referred the Committee to a report "Issued Before the Emerging Manager Committee and Proposed Changes to the Asset Allocation Model". Mr. Wrubel, Marquette Associates distributed a memorandum "Fund Asset Allocation and Implementation Plan. Following detailed review and discussion, Mr. Bashir moved to recommend the Asset Allocation Model with the changes outlined. Mr. Clayborne seconded and the motion passed. (Official minutes contain attachments.)

## *MATTERS RELATING TO EXISTING MANAGERS*

Ms. El-Harazin reviewed her memorandum "Herndon Capital Management – Benchmark Recommendation" dated June 23, 2011. Following review, Mr. Bashir moved to recommend the benchmark change for Herndon Capital Management to the Russell 1000 Index from the Russell 1000 Value Index, as outlined by Staff. Senator Clayborne seconded and the motion passed unanimously. (Official minutes contain attachment.)

Discussion ensued regarding the status of minority manger certifications. Following discussion, Ms. El-Harazin stated that she would keep the Committee Members informed regarding certification status for ISBI minority investment managers.

## *UNFINISHED BUSINESS*

None.

### *NEW BUSINESS*

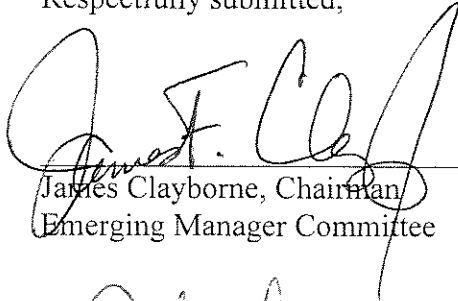
Staff and consultant recommended conducting a small cap search. Following discussion, Mr. Bashir moved to recommend a search for a small cap minority manager. Senator Clayborne seconded and the motion passed unanimously.

### *NEXT MEETING AND ADJOURNMENT*

Chairman Clayborne stated that the next meeting of the Emerging Manager Committee would be scheduled around the September Board meeting and all Board Members would be notified.

At 2:05 p.m., there being no further business to come before the Committee, Mr. Bashir moved to adjourn. Senator Clayborne seconded and the meeting was adjourned.

Respectfully submitted,



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James Clayborne, Chairman  
Emerging Manager Committee



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John Casey, Chairman  
Illinois State Board of Investment